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NEWS RELEASE

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Some college textbooks may qualify as tax exempt

College textbooks sold on the campuses of colleges and universities in Utah may be exempt from state sales tax.

The Utah State Tax Commission says an organization must be recognized as exempt from the Internal Revenue Service in order to qualify. Only sales made in relation to the stated purposes of the non-profit institution qualify for the exemption.

"If a state university receives a Section 501(c)(3) designation from the IRS and the sale of textbooks is part of its regular religious or charitable functions and activities, the sale qualifies for the exemption," Commission Chair Pam Hendrickson wrote in a January 31 letter.

The student-run Coalition of Higher Education for Affordable Textbooks raised the issue with the State Legislature this year. The Tax Commission responded with the letter specifying the requirements for the sales tax exemption.

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